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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

24 July 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Situation in Ghana

1. Kwame Nkrumah's current visit to Moscow comes at a time of unprecedented problems and frustrations for Ghana's President. Faced with a series of disappointments and setbacks in his efforts to assume leadership among the African states, Nkrumah has also been confronted at home not only with serious economic and financial problems but with growing dissension and indiscipline within his own Convention People's Party (CPP). Given his consuming ambition and strong dislikes, Nkrumah's efforts to deal with these problems are likely to lead to increasing friction with Ghana's African neighbors and a new period of acrimony toward the West, particularly the US.

2. Widely acclaimed in 1957 as head of the first black African state to achieve independence after World War II,

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Nkrumah has since found his efforts to be the spokesman for Africa increasingly challenged by other leaders as newer nations have emerged: the President of Ghana now finds that he is neither primus nor even primus inter pares in the revised hierarchy of leadership on the continent. Nkrumah's plans for Pan-African political union have miscarried, with most of the newer nations tending instead to emphasize economic cooperation; his hopes for a federal linkage between Ghana and the Congo foundered with the death of Lumumba; and his pretensions to be leader of Africa's so-called "Casablanca radicals" have been thwarted by the conflicting claims of Nasser, Sekou Toure, and Hassan II of Morocco. Even the vaunted Ghana-Guinea-Mali Union has failed to acquire any firm political substance; Ghana's partners, while quick to accept Nkrumah's financial aid, have been chary of relinquishing sovereignty.

3. At home, Nkrumah has experienced serious difficulties -- not from the once powerful tribal forces of the Ashanti confederation as anticipated -- but from within the ranks of his own CPP and its affiliated organizations, which had hitherto appeared to provide the very model of monolithic one-party government in Africa. In recent months a group of so-called young Turks

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prominent in the Trades Union Congress and in youth and other groups linked with the CPP has become increasingly assertive, denouncing the "old guard" leadership of the CPP as corrupt and unconcerned with the welfare of the Ghanaian people and demanding closer ties with the Bloc and creation of a socialist state in Ghana. While careful to except Nkrumah himself from censure, they have been critical of the other old line leaders, many of whom have grown fat and lazy in lucrative cabinet posts, and have sought to limit the CPP hierarchy's control over affiliates in such fields as labor, youth, and agriculture. Naturally, the "old guard" leaders have fought back.

4. In the face of this threat to CPP unity, Nkrumah reasserted his own authority, first denouncing both sides in April, later putting through a governmental shakeup in which several cabinet officers were forced out, a number of ministries were abolished or reorganized, and his own control over government and party business was strengthened; inter alia, he assumed the secretary-generalship of the CPP and took over presidential control of the army and police. However, none of the basic issues involved has been clearly resolved and both sides remain uneasy. Nkrumah's actions have almost certainly disturbed the

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"old guard," which appears to have gotten the worst of the government reshuffling. However, he has almost certainly not gone far enough to satisfy the "young Turks," and despite recent promises to institute a vigorous anti-corruption campaign, it is unlikely that he will satisfy "young Turk" and popular expectations on this point. Nkrumah has made very little progress in making the TUC subject to CPP discipline, and John Tettegah, a leading young Turk in the labor movement, is continuing to do considerable political free-wheeling.

5. For the first time since leading his country to independence Nkrumah is also experiencing the unpleasantness of some drop in public popularity. Despite continued efforts to promote the cult of Nkrumahism, under which the name and face of the Osagyefo (literally savior) are kept constantly before the masses, the 1960 Presidential balloting showed that Nkrumah's level of support in urban centers, where political sophistication and activity is greatest, was much lower than in rural areas. Moreover, while he received 88 per cent of all votes cast, these represented only 47.5 per cent of those available, since only 54 per cent of the total electorate voted.

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6. Nkrumah's troubles are compounded by economic difficulties. World cocoa prices are at the lowest level in years, and cocoa farmers, are further irritated by the allocation of Marketing Board funds to general economic development programs rather than to the alleviation of their special difficulties. Moreover, even the broader economic programs have misfired to the point that in the four years since independence the government has squandered a financial patrimony of £250 million through ill-advised development schemes, and the consultation of prepossessing government buildings, and lavish living by officials. (Nevertheless, Nkrumah continues to provide financial aid to Guinea and Mali.) Current indications are that Ghana's reserves will have run out by 1962 and that the Nkrumah government will be in desperate need of budgetary support from abroad, as well as financial aid for existing development programs.

7. Even if these short-term financial problems are overcome, any further decline in world cocoa prices over the next year would lead to growing farmer discontent and, by reducing the funds available for pursuit of economic development, would add to the disgruntlement of the CPP's young radicals. Such circumstances would almost certainly encourage more active criticism from

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opposition groups in the Parliament, the army and the basically conservative civil service, all of whom are irritated by Nkrumah's flamboyance and extravagance and (notably in the case of the army) by Nkrumah's adventurous policies in the Congo and elsewhere.

8. Given Nkrumah's great authority, we think it unlikely that any serious attempt to oust him, either by political or military opponents, will develop during the next six months to a year. Nevertheless, Nkrumah is now and will probably continue to be sufficiently vulnerable to criticism to make him willing to align Ghana with the Soviet Union if this would help to recoup his fortunes abroad. During his current visit to the Soviet Union and other Bloc countries, Nkrumah will almost certainly seek large scale financial aid in exchange for Ghanaian cocoa, a commodity which would probably be reexported in view of its limited market in the Communist area. In return for augmented Bloc assistance, Nkrumah also may offer assurances of a more pro-Communist neutralist foreign policy, as well as accept greater Bloc guidance on technical development programs. In addition, he is probably interested in slipping Ghanaian aid to revolutionary exile groups from Portuguese and South Africa and to opposition forces within the more moderate independent African states such as Togo and the Ivory Coast, and may seek Soviet assistance in providing arms to such groups.

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9. The President probably hopes that any agreements he concludes with the Bloc will not further upset Ghana's already troubled relations with the West. However, there is an even chance that further tightening of Ghanaian-Soviet economic ties will unhinge US plans for the construction of a major dam on the Volta River. While the project has been on the planning boards for many years and the IBRD and a consortium of US industrial concerns have brought discussions with the Ghanaian Government to near conclusion, they are deeply disturbed by the looming financial and political crisis in Ghana, as well as that country's anti-Western foreign policy orientation. Any sudden lurch by Nkrumah in a more clearly defined pro-Soviet direction could lead the US group to further delay or to drop its plans for the Volta. There is at least an even chance such action would lead Ghana to emulate Nasser's conduct in similar circumstances and pursue this major project with Bloc aid. The Soviet Union has clearly indicated its interest in providing such support.

10. A successful visit to the Soviet Bloc would also strengthen the position of the CPP "young Turks" at home.

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Nkrumah will continue to seek to curb their influence, and may ultimately succeed in bringing the various affiliated organizations under CPP control. But growing opposition from former "old guard" supporters might force him into complete dependence on the left. Under such circumstances, Ghana would probably experience a period of considerable internal instability, with a struggle for power erupting outside CPP precincts and broadening out throughout the nation.

FOR THE BOARD OF NATIONAL ESTIMATES:



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SHERMAN KENT
Chairman

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Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: 24 July 1961

FROM : AD/NE *sr*

SUBJECT: The Situation in Ghana

1. This memorandum makes the following points: (1) President Kwame Nkrumah has been experiencing serious political and economic problems at home during the past six months; (2) He also has been disturbed by setbacks in his efforts to assume leadership among the African states; (3) The Ghanaian President, consequently, is likely to seek large scale financial assistance from the Soviet Union during his current visit to Moscow, and, in return, may agree to funnel Bloc arms to exiled African revolutionary groups in an effort to topple moderate, pro-Western governments.

2. I believe this memorandum may prove of interest to General Taylor.

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3. I recommend this memorandum be distributed to USIB members. *OK*